

304.33-170 Actions by and against rehabilitator.

- (1) Stays in pending litigation. Except as provided in KRS 304.33-052 and 304.33-055, any court in this state before which any action or proceeding by or against an insurer is pending when a rehabilitation order against the insurer is entered shall, upon request of the rehabilitator, stay the action or proceeding for such time as is necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The court that entered the rehabilitation order shall order the rehabilitator to take such action respecting the pending litigation as the court deems necessary in the interests of justice and for the protection of creditors and policyholders. The rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.
- (2) Statutes of limitations on claims by insurer. The time between the filing of a petition for rehabilitation against an insurer and denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced by the insurer. Any action by the insurer that might have been commenced when the petition was filed may be commenced for at least sixty (60) days after the order of rehabilitation is entered.
- (3) Statutes of limitations on claims against insurer. The time between the filing of a petition for rehabilitation against an insurer and the denial of the petition or an order of rehabilitation shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty (60) days after the order of rehabilitation is entered or the petition is denied.
- (4) A guaranty association or a foreign guaranty association shall have standing to appear in any court proceeding concerning the rehabilitation of an insurer if such association is or may become liable to act as a result of the rehabilitation.

Effective: June 27, 2025

History: Amended 2025 Ky. Acts ch. 67, sec. 5, effective June 27, 2025. -- Amended 2022 Ky. Acts ch. 61, sec. 4, effective July 14, 2022. -- Amended 1990 Ky. Acts ch. 422, sec. 12, effective July 13, 1990. -- Created 1970 Ky. Acts ch. 301, subtit. 33, sec. 17, effective June 18, 1970.